Union Calendar No. 259

106TH CONGRESS 1ST SESSION

H.R. 1832

[Report No. 106-449, Part I]

A BILL

To reform unfair and anticompetitive practices in the professional boxing industry.

November 4, 1999

Reported from the Committee on Commerce with an amendment

NOVEMBER 4, 1999

Referred to the Committee on Education and the Workforce extended for a period ending not later than November 4, 1999

NOVEMBER 4, 1999

The Committee on Education and the Workforce discharged; referred to the Committee of the Whole House on the State of the Union and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

May 17, 1999

Mr. OXLEY (for himself, Mr. ENGEL, Mr. MEEKS of New York, and Mr. KING) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

NOVEMBER 4, 1999

Additional sponsors: Mr. Moran of Virginia, Mr. Sandlin, Ms. McKinney, Mr. Martinez, Mr. Hall of Texas, Mr. Smith of New Jersey, Mr. Traficant, Mrs. Clayton, Mr. Pallone, Mr. Gillmor, Mr. Stearns, Mr. Upton, and Mr. Abercrombie

Deleted sponsor: Mr. Meek of New York (added May 17, 1999; deleted November 3, 1999)

NOVEMBER 4, 1999

Reported from the Committee on Commerce with an amendment [Strike out all after the enacting clause and insert the part printed in italic]

NOVEMBER 4, 1999

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A BILL

To reform unfair and anticompetitive practices in the professional boxing industry.

- 1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, 3 SECTION 1. SHORT TITLE. 4 This Act may be cited as the "Muhammad Ali Boxing 5 Reform Act". SEC. 2. FINDINGS. 7 The Congress makes the following findings: 8 (1) Professional boxing differs from other major, 9 interstate professional sports industries in the United 10 States in that it operates without any private sector 11 association, league, or centralized industry organiza-12 tion to establish uniform and appropriate business 13 practices and ethical standards. This has led to re-14 peated occurrences of disreputable and coercive busi-
 - (2) State officials are the proper regulators of professional boxing events, and must protect the welfare of professional boxers and serve the public interest by closely supervising boxing activity in their ju-

ness practices in the boxing industry, to the detriment

of professional boxers nationwide.

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- risdiction. State boxing commissions do not currently receive adequate information to determine whether boxers competing in their jurisdiction are being subjected to contract terms and business practices which may violate State regulations, or are onerous and confiscatory.
 - (3) Promoters who engage in illegal, coercive, or unethical business practices can take advantage of the lack of equitable business standards in the sport by holding boxing events in States with weaker regulatory oversight.
 - (4) The sanctioning organizations which have proliferated in the boxing industry have not established credible and objective criteria to rate professional boxers, and operate with virtually no industry or public oversight. Their ratings are susceptible to manipulation, have deprived boxers of fair opportunities for advancement, and have undermined public confidence in the integrity of the sport.
 - (5) Open competition in the professional boxing industry has been significantly interfered with by restrictive and anticompetitive business practices of certain promoters and sanctioning bodies, to the detriment of the athletes and the ticket-buying public. Common practices of promoters and sanctioning orga-

1	nizations represent restraints of interstate trade in
2	the United States.
3	(6) It is necessary and appropriate to establish
4	national contracting reforms to protect professional
5	boxers and prevent exploitive business practices, and
6	to require enhanced financial disclosures to State ath-
7	letic commissions to improve the public oversight of
8	$the\ sport.$
9	SEC. 3. PURPOSES.
10	The purposes of this Act are—
11	(1) to protect the rights and welfare of profes-
12	sional boxers on an interstate basis by preventing cer-
13	tain exploitive, oppressive, and unethical business
14	practices;
15	(2) to assist State boxing commissions in their
16	efforts to provide more effective public oversight of the
17	sport; and
18	(3) to promote honorable competition in profes-
19	sional boxing and enhance the overall integrity of the
20	in dustry.
21	SEC. 4. PROTECTING BOXERS FROM EXPLOITATION.
22	The Professional Boxing Safety Act of 1996 (15 U.S.C.
23	6301 et seq.) is amended—
24	(1) by redesignating sections 9 through 15 as sec-
25	tions 17 through 23, respectively; and

1	(2) by inserting after section 8 the following new
2	sections:
3	"SEC. 9. CONTRACT REQUIREMENTS.
4	"Within 2 years after the date of the enactment of the
5	Muhammad Ali Boxing Reform Act, the Association of Box-
6	ing Commissions shall develop and shall approve by a vote
7	of no less than a majority of its member State boxing com-
8	missioners, guidelines for minimum contractual provisions
9	that should be included in bout agreements and boxing con-
10	tracts. It is the sense of Congress that State boxing commis-
11	$sions\ should\ follow\ these\ ABC\ guidelines.$
12	"SEC. 10. PROTECTION FROM COERCIVE CONTRACTS.
13	"(a) General Rule.—
14	"(1)(A) A contract provision shall be considered
15	to be in restraint of trade, contrary to public policy,
16	and unenforceable against any boxer to the extent
17	that it—
18	"(i) is a coercive provision described in sub-
19	paragraph (B) and is for a period greater than
20	12 months; or
21	"(ii) is a coercive provision described in
22	subparagraph (B) and the other boxer under con-
23	tract to the promoter came under that contract
24	pursuant to a coercive provision described in
25	subparagraph (B).

- "(B) A coercive provision described in this sub-1 2 paragraph is a contract provision that grants any rights between a boxer and a promoter, or between 3 4 promoters with respect to a boxer, if the boxer is required to grant such rights, or a boxer's promoter is 5 6 required to grant such rights with respect to a boxer 7 to another promoter, as a condition precedent to the 8 boxer's participation in a professional boxing match against another boxer who is under contract to the 9 10 promoter.
 - "(2) This subsection shall only apply to contracts entered into after the date of the enactment of the Muhammad Ali Boxing Reform Act.
- "(3) No subsequent contract provision extending
 any rights or compensation covered in paragraph (1)
 shall be enforceable against a boxer if the effective
 date of the contract containing such provision is earlier than 3 months before the expiration of the relevant time period set forth in paragraph (1).
- 20 "(b) Promotional Rights Under Mandatory
 21 Bout Contracts.—No boxing service provider may re22 quire a boxer to grant any future promotional rights as
 23 a requirement of competing in a professional boxing match
 24 that is a mandatory bout under the rules of a sanctioning
 25 organization.

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1 "SEC. 11. SANCTIONING ORGANIZATIONS.

2	"(a) Objective Criteria.—Within 2 years after the
3	date of the enactment of the Muhammad Ali Boxing Reform
4	Act, the Association of Boxing Commissions shall develop
5	and shall approve by a vote of no less than a majority of
6	its member State boxing commissioners, guidelines for ob-
7	jective and consistent written criteria for the ratings of pro-
8	fessional boxers. It is the sense of Congress that sanctioning
9	bodies and State boxing commissions should follow these
10	$ABC\ guidelines.$
11	"(b) Appeals Process.—A sanctioning organization
12	shall not be entitled to receive any compensation, directly
13	or indirectly, in connection with a boxing match, until it
14	provides the boxers with notice that the sanctioning organi-
15	zation shall, within 7 days after receiving a request from
16	a boxer questioning that organization's rating of the
17	boxer—
18	"(1) provide to the boxer a written explanation
19	of the organization's criteria, its rating of the boxer,
20	and the rationale or basis for its rating (including a
21	response to any specific questions submitted by the
22	boxer); and
23	"(2) submit a copy of its explanation to the As-
24	sociation of Boxing Commissions.
25	"(c) Notification of Change in Rating.—A sanc-
26	tioning organization shall not be entitled to receive any

1	compensation, directly or indirectly, in connection with a
2	boxing match, until, with respect to a change in the rating
3	of a boxer previously rated by such organization in the top
4	10 boxers, the organization—
5	"(1) posts a copy, within 14 days of such change,
6	on its Internet website or home page, if any, includ-
7	ing an explanation of such change, for a period of not
8	less than 30 days; and
9	"(2) provides a copy of the rating change and
10	explanation to an association to which at least a ma-
11	jority of the State boxing commissions belong.
12	"(d) Public Disclosure.—
13	"(1) FTC FILING.—A sanctioning organization
14	shall not be entitled to receive any compensation di-
15	rectly or indirectly in connection with a boxing
16	match unless, not later than January 31 of each year,
17	it submits to the Federal Trade Commission and to
18	the ABC —
19	"(A) a complete description of the organiza-
20	tion's ratings criteria, policies, and general sanc-
21	tioning fee schedule;
22	"(B) the bylaws of the organization;
23	"(C) the appeals procedure of the organiza-
24	tion for a boxer's rating; and

1	"(D) a list and business address of the orga-
2	nization's officials who vote on the ratings of
3	boxers.
4	"(2) Format; updates.—A sanctioning organi-
5	zation shall—
6	"(A) provide the information required
7	under paragraph (1) in writing, and, for any
8	document greater than 2 pages in length, also in
9	electronic form; and
10	"(B) promptly notify the Federal Trade
11	Commission of any material change in the infor-
12	$mation\ submitted.$
13	"(3) FTC to make information available to
14	PUBLIC.—The Federal Trade Commission shall make
15	information received under this subsection available
16	to the public. The Commission may assess sanctioning
17	organizations a fee to offset the costs it incurs in
18	processing the information and making it available to
19	$the\ public.$
20	"(4) Internet alternative.—In lieu of sub-
21	mitting the information required by paragraph (1) to
22	the Federal Trade Commission, a sanctioning organi-
23	zation may provide the information to the public by
24	maintaining a website on the Internet that—

1	"(A) is readily accessible by the general
2	public using generally available search engines
3	and does not require a password or payment of
4	a fee for full access to all the information;
5	"(B) contains all the information required
6	to be submitted to the Federal Trade Commission
7	by paragraph (1) in an easy to search and use
8	format; and
9	"(C) is updated whenever there is a mate-
10	rial change in the information.
11	"SEC. 12. REQUIRED DISCLOSURES TO STATE BOXING COM-
12	MISSIONS BY SANCTIONING ORGANIZATIONS.
13	"A sanctioning organization shall not be entitled to
14	receive any compensation directly or indirectly in connec-
15	tion with a boxing match until it provides to the boxing
16	commission responsible for regulating the match in a State
17	a statement of—
18	"(1) all charges, fees, and costs the organization
19	will assess any boxer participating in that match;
20	"(2) all payments, benefits, complimentary bene-
21	fits, and fees the organization will receive for its af-
22	filiation with the event, from the promoter, host of the
23	event, and all other sources; and
24	"(3) such additional information as the commis-
25	sion may require.

1 "SEC. 13. REQUIRED DISCLOSURES FOR PROMOTERS.

2	"(a) Disclosures to the Boxing Commissions.—
3	A promoter shall not be entitled to receive any compensa-
4	tion directly or indirectly in connection with a boxing
5	match until it provides to the boxing commission respon-
6	sible for regulating the match in a State a statement of—
7	"(1) a copy of any agreement in writing to
8	which the promoter is a party with any boxer partici-
9	pating in the match;
10	"(2) a statement made under penalty of perjury
11	that there are no other agreements, written or oral,
12	between the promoter and the boxer with respect to
13	that match; and
14	"(3)(A) all fees, charges, and expenses that will
15	be assessed by or through the promoter on the boxer
16	pertaining to the event, including any portion of the
17	boxer's purse that the promoter will receive, and
18	training expenses;
19	"(B) all payments, gifts, or benefits the promoter
20	is providing to any sanctioning organization affili-
21	ated with the event; and
22	"(C) any reduction in a boxer's purse contrary
23	to a previous agreement between the promoter and the
24	boxer or a purse bid held for the event.
25	"(b) Disclosures to the Boxer.—A promoter shall
26	not be entitled to receive any compensation directly or indi-

1	rectly in connection with a boxing match until it provides
2	to the boxer it promotes—
3	"(1) the amounts of any compensation or consid-
4	eration that a promoter has contracted to receive from
5	such match;
6	"(2) all fees, charges, and expenses that will be
7	assessed by or through the promoter on the boxer per-
8	taining to the event, including any portion of the box-
9	er's purse that the promoter will receive, and training
10	expenses; and
11	"(3) any reduction in a boxer's purse contrary
12	to a previous agreement between the promoter and the
13	boxer or a purse bid held for the event.
14	"(c) Information To Be Available to State At-
15	Torney General.—A promoter shall make information re-
16	quired to be disclosed under this section available to the
17	chief law enforcement officer of the State in which the match
18	is to be held upon request of such officer.
19	"SEC. 14. REQUIRED DISCLOSURES FOR JUDGES AND REF-
20	EREES.
21	"A judge or referee shall not be entitled to receive any
22	compensation, directly or indirectly, in connection with a
23	boxing match until it provides to the boxing commission
24	responsible for regulating the match in a State a statement
25	of all consideration, including reimbursement for expenses,

- 1 that will be received from any source for participation in
- 2 the match.
- 3 "SEC. 15. CONFIDENTIALITY.
- 4 "(a) In General.—Neither a boxing commission nor
- 5 an Attorney General may disclose to the public any matter
- 6 furnished by a promoter under section 13 except to the ex-
- 7 tent required in a legal, administrative, or judicial pro-
- 8 ceeding.
- 9 "(b) Effect of Contrary State Law.—If a State
- 10 law governing a boxing commission requires that informa-
- 11 tion that would be furnished by a promoter under section
- 12 13 shall be made public, then a promoter is—
- "(1) not required to file such information with
- 14 such State; and
- 15 "(2) required to file such information with the
- 16 *ABC*.
- 17 "SEC. 16. JUDGES AND REFEREES.
- 18 "No person may arrange, promote, organize, produce,
- 19 or fight in a professional boxing match unless all referees
- 20 and judges participating in the match have been certified
- 21 and approved by the boxing commission responsible for reg-
- 22 ulating the match in the State where the match is held.".

1 SEC. 5. CONFLICT OF INTEREST.

2	Section 17 of the Professional Boxing Safety Act of
3	1996 (15 U.S.C. 6308) (as redesignated by section 4 of this
4	Act) is amended—
5	(1) in the first sentence by striking "No member"
6	and inserting "(a) Regulatory Personnel.—No
7	member"; and
8	(2) by adding at the end the following:
9	"(b) Firewall Between Promoters and Man-
10	AGERS.—
11	"(1) In general.—It is unlawful for—
12	"(A) a promoter to have a direct or indirect
13	financial interest in the management of a boxer;
14	or
15	"(B) a manager—
16	"(i) to have a direct or indirect finan-
17	cial interest in the promotion of a boxer; or
18	"(ii) to be employed by or receive com-
19	pensation or other benefits from a promoter,
20	except for amounts received as consideration
21	under the manager's contract with the
22	boxer.
23	"(2) Exceptions.—Paragraph (1)—
24	"(A) does not prohibit a boxer from acting
25	as his own promoter or manager; and

1	"(B) only applies to boxers participating in
2	a boxing match of 10 rounds or more.
3	"(c) Sanctioning Organizations.—
4	"(1) Prohibition on receipts.—Except as
5	provided in paragraph (2), no officer or employee of
6	a sanctioning organization may receive any com-
7	pensation, gift, or benefit, directly or indirectly, from
8	a promoter, boxer, or manager.
9	"(2) Exceptions.—Paragraph (1) does not
10	apply to—
11	"(A) the receipt of payment by a promoter,
12	boxer, or manager of a sanctioning organiza-
13	tion's published fee for sanctioning a professional
14	boxing match or reasonable expenses in connec-
15	tion therewith if the payment is reported to the
16	responsible boxing commission; or
17	"(B) the receipt of a gift or benefit of de
18	minimis value.".
19	SEC. 6. ENFORCEMENT.
20	Subsection (b) of section 18 of the Professional Boxing
21	Safety Act of 1996 (15 U.S.C. 6309) (as redesignated by
22	section 4 of this Act) is amended—
23	(1) in paragraph (1) by inserting a comma and
24	"other than section 9(b), 10, 11, 12, 13, 14, or 16,"
25	after "this Act";

1	(2) by redesignating paragraphs (2) and (3) as
2	paragraphs (3) and (4), respectively;
3	(3) by inserting after paragraph (1) the fol-
4	lowing:
5	"(2) Violation of antiexploitation, sanc-
6	TIONING ORGANIZATION, OR DISCLOSURE PROVI-
7	SIONS.—Any person who knowingly violates any pro-
8	vision of section 9(b), 10, 11, 12, 13, 14, or 16 of this
9	Act shall, upon conviction, be imprisoned for not
10	more than 1 year or fined not more than—
11	"(A) \$100,000; and
12	"(B) if a violation occurs in connection
13	with a professional boxing match the gross reve-
14	nues for which exceed \$2,000,000, an additional
15	amount which bears the same ratio to \$100,000
16	as the amount of such revenues compared to
17	\$2,000,000, or both."; and
18	(4) in paragraph (3) (as redesignated by para-
19	graph 2 of this subsection) by striking "section 9"
20	and inserting "section 17(a)"; and
21	(5) by adding at the end the following:
22	"(c) Actions by States.—Whenever the chief law en-
23	forcement officer of any State has reason to believe that a
24	person or organization is engaging in practices which vio-
25	late any requirement of this Act, the State, as parens

1	patriae, may bring a civil action on behalf of its residents
2	in an appropriate district court of the United States—
3	"(1) to enjoin the holding of any professional
4	boxing match which the practice involves;
5	"(2) to enforce compliance with this Act;
6	"(3) to obtain the fines provided under sub-
7	section (b) or appropriate restitution; or
8	"(4) to obtain such other relief as the court may
9	deem appropriate.
10	"(d) Private Right of Action.—Any boxer who suf-
11	fers economic injury as a result of a violation of any provi-
12	sion of this Act may bring an action in the appropriate
13	Federal or State court and recover the damages suffered,
14	court costs, and reasonable attorneys fees and expenses.
15	"(e) Enforcement Against Federal Trade Com-
16	MISSION, STATE ATTORNEYS GENERAL, ETC.—Nothing in
17	this Act authorizes the enforcement of—
18	"(1) any provision of this Act against the Fed-
19	eral Trade Commission, the United States Attorney
20	General, or the chief legal officer of any State for act-
21	ing or failing to act in an official capacity;
22	"(2) subsection (d) of this section against a State
23	or political subdivision of a State, or any agency or
24	instrumentality thereof; or

1	"(3) section 10 against a boxer acting in his ca-
2	pacity as a boxer.".
3	SEC. 7. ADDITIONAL AMENDMENTS.
4	(a) Definitions.—Section 2(a) of the Professional
5	Boxing Safety Act of 1996 (15 U.S.C. 6301(a)) is
6	amended—
7	(1) in paragraph (10) by striking the period at
8	the end and inserting ", including the Virgin Is-
9	lands."; and
10	(2) by adding at the end the following:
11	"(11) Effective date of the contract.—The
12	term 'effective date of the contract' means the day
13	upon which a boxer becomes legally bound by the con-
14	tract.
15	"(12) BOXING SERVICE PROVIDER.—The term
16	boxing service provider' means a promoter, manager,
17	sanctioning body, licensee, or matchmaker.
18	"(13) Contract Provision.—The term 'contract
19	provision' means any legal obligation between a boxer
20	and a boxing service provider.
21	"(14) Sanctioning organization.—The term
22	'sanctioning organization' means an organization
23	that sanctions professional boxing matches in the
24	United States—

1	"(A) between boxers who are residents of
2	different States; or
3	"(B) that are advertised, otherwise pro-
4	moted, or broadcast (including closed circuit tele-
5	vision) in interstate commerce.
6	"(15) Suspension.—The term 'suspension' in-
7	cludes within its meaning the revocation of a boxing
8	license.".
9	(b) State Boxing Commission Procedures.—Sec-
10	tion 7(a)(2) of the Professional Boxing Safety Act of 1996
11	(15 U.S.C. 6306(a)(2)) is amended—
12	(1) in subparagraph (C) by striking "or";
13	(2) in subparagraph (D) by striking "docu-
14	ments." at the end and inserting "documents; or";
15	and
16	(3) by adding at the end the following:
17	"(E) unsportsmanlike conduct or other in-
18	appropriate behavior inconsistent with generally
19	accepted methods of competition in a profes-
20	sional boxing match.".
21	(c) Renewal Period for Identification Cards.—
22	Section 6(b)(2) of the Professional Boxing Safety Act of
23	1996 (15 U.S.C. 6305(b)(2)) is amended by striking "2
24	uears." and insertina "4 uears.".

1 (d) Review of Suspensions.—Section 7(a)(3) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6306(a)(3)) is amended by striking "boxer" and inserting 3 *'boxer, licensee, manager, matchmaker, promoter, or other* boxing service provider". 6 (e) Alternative Supervision.—Section 4 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6303) is 8 amended— 9 (1) by striking "No person" and inserting "(a) 10 No person"; and 11 (2) by inserting at the end thereof the following: 12 "(b) For the purpose of this Act, if no State commission is available to supervise a boxing match according to 14 subsection (a), then— 15 "(1) the match may not be held unless it is su-16 pervised by an association of boxing commissions to 17 which at least a majority of the States belong; and 18 "(2) any reporting or other requirement relating 19 to a supervising commission allowed under this sec-20 tion shall be deemed to refer to the entity described 21 in paragraph (1).". 22 (f) Health and Safety Disclosures.—Section 6 of 23 the Professional Boxing Safety Act of 1996 (15 U.S.C. 6305) is amended by adding at the end the following new subsection: 25

- 1 "(c) Health and Safety Disclosures.—It is the
- 2 sense of Congress that a boxing commission should, upon
- 3 issuing an identification card to a boxer under subsection
- 4 (b)(1), make a health and safety disclosure to that boxer
- 5 as that commission considers appropriate. The health and
- 6 safety disclosure should include the health and safety risks
- 7 associated with boxing, and, in particular, the risk and fre-
- 8 quency of brain injury and the advisability that a boxer
- 9 periodically undergo medical procedures designed to detect
- 10 brain injury.".